



January 23, 2009

KATHY L. BRITTIN
Risk Manager

Via UPS Next Business Day

Ms. Angela Nance
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Re: Canyon Fuel Company
Permit #ACT/007/005
Bond #SUR0000311

Dear Angela:

Per our discussions and emails, attached is the updated Exhibit "A" that has been signed by the surety.

Please let me know if you need anything further.

Thank you for all your help.

Sincerely,

Kathy L. Brittin
Risk Manager

Encl.

Cc: Greg Galecki, CFC

RECEIVED

JAN 26 2009

DIV. OF OIL, GAS & MINING

EXHIBIT "A"

Bonded Area Legal Description

(Federal Coal)

Exhibit "A"
Legal Description
Federal
Bond Number: SUR0000311

EXHIBIT "A"

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA : The attached map illustrates both the BONDED AREA and PERMIT AREA in a green line. The black line illustrates the Adjacent Area which is not bonded. Total acres within the approved Permit Area include 84.25 acres. Of the 84.25 acres, 3.55 acres located at the Waste Rock disposal site are not going to be reclaimed.

Legal description of BONDED AREA:
Township 12 South, Range 7 East, SLBM

Portions of Section 32

Township 13 South, Range 6 East, SLBM

Portions of Sections 13, 25, 35, and 36

Township 13 South, Range 7 East, SLBM

Portions of Sections 17, 18, and 19

Township 14 South, Range 6 East, SLBM

Portions of Sections 2 and 3

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this

19th day of December, 2008.

Exhibit "A"
Legal Description
Federal

Bond Number: SUR0000311

Rockwood Casualty Insurance Company
SURETY

TARA W. MEALER

By: Tara W. Mealer
Attorney-in-Fact

Title:

**AFFIDAVIT OF QUALIFICATION
SURETY COMPANY**

--ooOOoo--

I, Tara W. Mealer, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Attorney-in-Fact of Rockwood Casualty Insurance Company; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

TARA W. MEALER

(Signed) Tara W. Mealer, Attorney-in-Fact
Surety Company Officer - Position

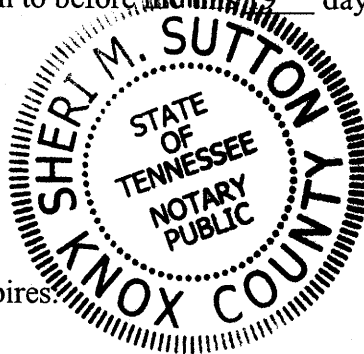
Attest:

STATE OF Tennessee)

) ss:

COUNTY OF Knox)

Subscribed and sworn to before me this 19th day of December, 2008.



Sheri M. Sutton

Notary Public – Sheri M. Sutton

My Commission Expires:

September 26, 2012.

